

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE CUMBERLAND COUNTY)	
WATER DISTRICT, A WATER DISTRICT ORGANIZED)	
PURSUANT TO CHAPTER 74 OF THE KENTUCKY)	
REVISED STATUTES, IN CUMBERLAND COUNTY,)	
KENTUCKY, FOR (1) A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING AND)	CASE NO.
PERMITTING SAID WATER DISTRICT TO CONSTRUCT)	96-006
WATER DISTRIBUTION SYSTEM IMPROVEMENTS,)	
CONSISTING OF PROJECT HEREINAFTER IDENTIFIED;)	
(2) THE APPROVAL OF THE PROPOSED PLAN OF)	
FINANCING FOR SAID PROJECT; AND (3) THE)	
APPROVAL OF RATES AND CHARGES FOR WATER)	
SERVICE SUPPLIED BY THE DISTRICT)	

O R D E R

On January 22, 1996, Cumberland County Water District ("Cumberland Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$600,000 waterworks improvement project and for approval of its plan of financing for this project. Project funding includes a \$254,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Utilities Service ("RUS"), formerly known as the Rural Economic and Community Development Service, and a \$346,000 grant from RUS.

Cumberland Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within

30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on January 22, 1996, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Cumberland Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Cumberland Water's proposed plan of financing with RUS is accepted.

3. Cumberland Water is authorized to issue bonds not to exceed \$254,000 to be held or insured by RUS.

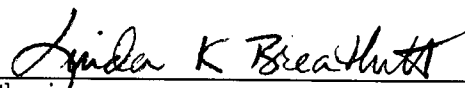
4. Cumberland Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Cumberland Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Cumberland Water shall take immediate action to bring the system in compliance with Commission regulations.

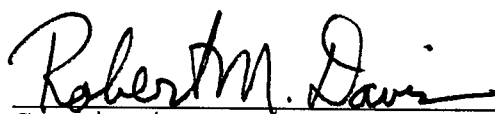
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 6th day of February, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director